UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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WATCH TOWER BIBLE AND TRACT SOCIETY
OF PENNSYLVANIA,

Plaintiff,

Case No. 21-cv-04155-CS

-vs-

JOHN DOE, also known as Kevin McFree,

Defendant.

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United States Courthouse
White Plains, New York

March 11, 2022
10:00 a.m.

** VIA TELECONFERENCE **

B e f o r e:

HONORABLE CATHY SEIBEL

District Judge

A P P E A R A N C E S:

COWAN, LIEBOWITZ & LATMAN, PC
Attorneys for Plaintiff
BY: ERIC SHIMANOFF
PAUL POLIDORO

FOSTER GARVEY
Attorneys for Defendant
BY: PAUL LEVY
MALCOLM SEYMOUR

THE DEPUTY CLERK: Good morning, Judge. Judge, this matter is Watch Tower Bible and Tract Society of Pennsylvania v. Doe. We have on the line representing plaintiff, Mr. Eric Shimanoff and Mr. Paul Polidoro, last name is spelled, P-O-L-I-D-O-R-O, and we have on representing the defendant Doe, Mr. Paul Levy, last name, L-E-V-Y, and Mr. Malcolm Seymour, S-E-Y-M-O-U-R, representing defendant. Our court reporter, Darby, is on, and Andy is on.

THE COURT: All right. Good morning, everyone. Let me remind counsel when you speak, please remember to say your last name first. Please do not say, "This is Eric Shimanoff for plaintiff. " Just say "Shimanoff" so that I know right up front who is speaking, and the court reporter knows up front who is speaking. If we can't tell, we are going to have to interrupt you, and of course we don't want to do that. So please remember to say your last name and only your last name first even if you think it's clear from the context who is speaking. So thank you in advance for that.

I understand, Mr. Levy and Mr. Seymour, that you are appearing only for a limited purpose, but I think you should file notices of appearance because otherwise you won't get ECF bounces, unless you want to commit to checking the docket every day. That's just by way of housekeeping. Because otherwise, you might miss something. So I have -- I am sorry. Go ahead.

MR. LEVY: Levy. We actually did file notices of

appearance saying just making the -- and it may be that we used the wrong event for that purpose. We only wished to make clear that we are reserving the issues of service and personal jurisdiction, and so we used the limited appearance pro bono event, and it may be that we should have used a separate event in order to avoid the problem to which Your Honor averts.

THE COURT: Yes. It looks like it because for whatever reason, this docket is still showing defendant as unrepresented. So maybe you want to just call it a notice of appearance, and you can put the limiting language in it so that you are not, you know, giving up any rights, but this way the system will pick you up as counsel. I think that event is usually used when somebody is coming in to represent a *pro se* just for discovery or something like that. So it -- obviously, the computer didn't pick it up.

Anyway, I have plaintiff's February 14th letter in which they describe two motions they would like to make: One for the summons in a pseudonym, and to allow alternative service by email, and then I have defendant's March 4th response; and even though those look like straightforward procedural requests, they are tied up in the legal issue of the effect of Judge Román's ruling because if that's *res judicata* or collateral estoppel, there is no point in proceeding with this lawsuit.

As a general matter, you know, I don't really know what authority there is to have a summons which doesn't have the

current name. The rule says -- I don't have it in front of me -- but it says it has to be filled out with the correct name, and to get it, obviously, you have options; one of which -- and by "you" I mean plaintiff -- has options, one of which they've pursued and just failed to get the name. So I am not sure what authority I would have to issue the summons.

I do think -- I took a quick look at the case *Cengage Learning* that plaintiffs cite, and it does say that the Hague Convention doesn't apply where you don't have the address. So I am not particularly concerned about the service. It seems to me we know that the guy plaintiff wants to sue is at that email, and I probably would allow electronic service if the other hurdles could be surmounted, but I am not sure how they can.

Mr. Shimanoff, Mr. Polidoro, wasn't your remedy if you didn't like Judge Román's decision to appeal, as opposed to filing a new lawsuit and trying another judge?

MR. SHIMANOFF: Shimanoff. Your Honor, obviously, once we received Judge Román's opinion, we considered all our options. As you may recall, this copyright infringement litigation has been pending for quite some time and was essentially put on hold pending Judge Román's decision. So just to be clear, this was a previously-filed action that already was, you know, on the docket well before Judge Román issued his opinion. You know, without getting --

THE COURT: Let me just interrupt you. I am sorry to

interrupt, but I want to make sure I understand.

This case was filed in 2021. The motion before Judge Román -- and I don't know why it took so long -- but I thought that you made that application in 2018, and he decided it in 2022. So yes, this case was filed before he made his decision, but you had made the application well before.

MR. SHIMANOFF: Yes, Your Honor. Shimanoff. And unfortunately, we were running up against a statute of limitations deadline, which is three years under the Copyright Act. So because we did not have an opinion yet from Judge Román, we were compelled to file this suit in order not to give up our right under the statute of limitations.

THE COURT: Right. But then everybody decided, well, let's wait and see what Judge Román rules, and as I said, you could have appealed that decision rather than coming to me and asking me to disregard it when it sure seems like it's the same issue.

MR. SHIMANOFF: Shimanoff. Your Honor, I don't think that we dispute it's the same issue. The question is whether it is collateral estoppel in the current action, and we believe it is not because one of the essential elements of collateral estoppel is missing, which is a full and fair opportunity to litigate on the merits. The procedure was all done on paper. There were significant issues as to the purpose and nature of the defendant's use of many of the parts of the video, including

the green screen music video where there doesn't seem to be any commentary at all other than mocking the fact that there is a green screen because he obtained a purloined copy before it was done. There was no -- also questions about how Mr. Doe obtained the video. There were two different stories that were prevented during the briefing. You know, on a motion to quash there is no opportunity for discovery at all; no opportunity to question in more detail these issues.

So, again, we do think that they are two very different procedures, a litigation versus a motion to quash, and therefore, collateral estoppel would not apply.

THE COURT: Why isn't that right, Mr. Levy and Mr. Seymour?

MR. LEVY: I think there are -- Levy. I think there are two main responses to that argument, but the predicate for -- and I would say neither of the responses I would give are supported by binding authority in this case, but the predicate for the argument is supported by binding authority in this case, and that is that a subpoena ruling can be *res judicata*. I mean, the Second Circuit has made that clear in cases such as *American Tobacco*. And it's also --

THE COURT: Is it always *res judicata* or --

MR. LEVY: No. And then you get into an analysis, and their argument -- and there is nonbinding authority holding that a subpoena to identify an anonymous defendant when litigated in

a different forum, in that case litigating in state court in California, was *res judicata* in Maine in the main action. The action in that case for defamation, the subpoena had been quashed in California on the ground that the Doe's speech was protected as a matter of law, and hence, plaintiff's claim could not proceed, and the Maine Supreme Court held that the plaintiff's claim had to be dismissed as *res judicata* because it depended on an issue that was necessary to the decision in the determination.

Now that's not binding authority, of course, but I think I would make two points about how the Court should think about the *res judicata* issue in the context of a previous decision on a subpoena.

If lack of discovery bars *res judicata* of a determination of a subpoena proceeding, the fact is that subpoena proceedings are generally considered without discovery, and that would mean that subpoena proceedings would never be *res judicata*, and that is plainly not the law as the Second Circuit has held that they can be *res judicata*.

The second reason is that Judge Román considered the issue of whether Watch Tower needed discovery in order to fully litigate the issue of fair use, which Judge Román decided. He decided that discovery was not needed, so that sub-issue is also *res judicata* in this case.

THE COURT: That's interesting.

MR. SEYMOUR: Seymour. Sorry, Your Honor. Go ahead. I can wait.

THE COURT: Go ahead.

MR. SEYMOUR: Thank you, Your Honor. Seymour. As Mr. Levy indicates, this argument that Watch Tower is presenting about requiring discovery, that was fully litigated and briefed in the subpoena proceeding, and again, their remedy, if they disagreed with that decision, would be to appeal it.

Now, Judge Román decided that no discovery was necessary by analogizing to a string of cases from the Southern District that have decided fair use at the 12(b)(6) stage, and those cases clearly are decided without the benefit of discovery, but they are final judgments, and they have full preclusive effect. And the doctrine that has emerged in the Southern District -- and there are now -- at the time of our briefing, there were at least several, and there are probably more cases by now that has emerged -- is that where a side-by-side comparison of the two works is sufficient to determine the issue of fair use, that it can be decided at the 12(b)(6) stage, even though fair use is an affirmative defense. And this is really an antidote to copyright actions that are clearly oblivious to the issue of fair use, dragging on into discovery, when the Court has everything that it needs in front of it to make that determination, and in this case to preserve First Amendment rights, without dragging the case out to that extent.

Now that issue, that capsule issue of fair use is -- Judge Román, the standard that he applied was a standard that was not taken from 512(h), DMCA subpoena cases. It was taken from 12(b)(6) decisions by this very Court; and so too, the principle that a court doesn't need to have discovery before it can decide the fair use issue on a 12(b)(6) motion, that was taken from the 12(b)(6) standard, not the 512(h) context; and so it is exactly the same posture and exactly the same set of principles that the Court would apply if it were evaluating fair use here on a motion to dismiss.

And so, you know, there is always some confusion between *res judicata* and claim preclusion. I think that Mr. Levy is correct that *res judicata* does apply, and a decision on a motion to quash a subpoena can have *res judicata* effect, but specifically have *res judicata* effect over -- at least in this Circuit and in this District -- subsequent motion -- subsequent motions to quash subpoenas that seek the same or similar information.

Mr. Levy is also referencing authority outside of this District, which he has acknowledged is not controlling, but a decision on a motion to quash may have *res judicata* effect over a plenary action like this over a subsequent infringement claim; but even if it doesn't, in the Southern District, issue preclusion very clearly applies.

So claim preclusion, if claim preclusion doesn't apply

to this infringement action, Judge Román evaluated, decided fair use and decided the argument that discovery was necessary before he could decide fair use all within the context of his decision. Both of those issues were fully litigated. We provided the Court with a briefing, and what they are looking for here is a second bite at the apple. They don't want to go up to the Second Circuit. If the Second Circuit were to decide these issues against them, that would become controlling at a potentially larger scale, and we certainly found that to be a curious decision on their part. We don't doubt that they considered the decision, but as our pre-conference letter has indicated, it is one of multiple questions that we have about what their overall strategy is here, and we are not certain why they decided to reactivate this case when we thought that all the parties were in agreement. And I was counsel to Mr. McFree in that 512(h) proceeding. We thought the Court thought this way, too; that we needed to wait to see what Judge Román was going to do because it could be outcome-determinative in this case, and it certainly appears to be.

THE COURT: That's what I thought the parties thought as well. Look, I think you're probably right. I guess as a procedural matter I am not a hundred percent clear on how the fact that you may be able to win on the merits necessarily drives my decision on whether to allow the clerk to issue a John Doe summons or to allow alternative service. I assume your

point is, it would just be a waste of time because even if I allow both of those things, Mr. Doe would make a motion to dismiss and would prevail.

MR. SEYMOUR: Seymour. I am sure Mr. Levy actually is -- he is the expert on this -- but this is the second point that is made in our pre-conference -- Mr. Levy's pre-conference statement, which is generally, the process is not to allow a Doe summons to issue. It is to permit -- the plaintiff would ordinarily move for early discovery seeking to identify the name of the Doe defendant so that that could be put on the summons, and the summons could be served.

And that does seem to be a lot of wasted effort here when it's clear that if there is a motion for that discovery, one of the threshold issues that needs to be considered under this *Arista Records* case is whether there is a *prima facie* claim for infringement, and Judge Román has held that there isn't; and that would be outcome-determinative of that motion if -- also *res judicata* would directly control such a motion because that -- there is an equivalence there in terms of the specific claims; that you would have claim preclusion and issue preclusion, and that's how Mr. Levy has concluded in our letter, which is if the Court wants to take that next step, we are prepared to take it and to make all of these arguments, but it does seem that we are doing a lot of extra work just to essentially, you know, require compliance with the decision that

this Court's already made, and it seems -- it seems unnecessary.

THE COURT: And how do you think procedurally this should go? Do you think they should make an application for early discovery, and you will oppose it, and I will decide it and --

MR. LEVY: Levy.

THE COURT: Go ahead.

MR. LEVY: I think, actually, we would probably not die -- succeed or die on the early discovery motion hill. I think we would want to file a motion to quash their proposed subpoena, and the difference is significant because while they can appeal a loss on early discovery, on a motion for leave to take early discovery it is not clear that we could appeal a loss on that motion, but *Arista Records* makes clear that we could appeal a loss on a motion to quash because the subpoena would be to a third party, and you could not expect Google, YouTube to go into contempt if you were to rule against us on the claim-precluding issue in the context of early discovery.

So it is actually my -- it would be my plan to take no position on the motion for leave to take early discovery, but to wait to move to quash the subpoena, which presents then an identical issue to the one that was before Judge Román.

THE COURT: It sure sounds like it. I mean, this is, you know, procedurally, you know, indirect paths, but it seems like no matter what path we take, we are getting back to the

exact same issue that was already decided by Judge Román.

So, I mean, I don't know that I have the authority to say to plaintiff, no, you cannot make your motion to direct the clerk to issue a John Doe summons and for alternative service, but it's probably going to be denied, and then you will make a motion for early discovery, and that will probably be granted, and then they will make a motion to quash, and we will be right back where we were. Whoever that was, go ahead.

MR. SHIMANOFF: Shimanoff. Thank you, Your Honor. I do want to address some of the points that were raised, and I think we all recognize that ultimately there will be some sort of argument on the merits as to whether there is fair use and whether there -- Judge Román's opinion does have either *res judicata* or collateral estoppel effect.

The purpose of our pre-motion letter and the purpose of our communications with Mr. McFree and his counsel prior to this conference really were to figure out that procedure so that we can have the speedy, just and inexpensive determination of this action in line with Rule 1. We had asked Mr. McFree on several occasions to waive service. It would be the easiest thing to do, and then the parties could get to the issues that we have been discussing today; but, unfortunately, you know, we can't put the -- I guess the cart before the horse. You know, we need to figure out what is procedurally the best way to get there.

You know, I think there is authority for Your Honor to order the Court -- or the clerk to issue a summons in the name of John Doe. I do understand federal rule has its requirements, but I do think again in light of Rule 1 and in light of the Court's inherent authority, it can be accomplished.

I also want to point out that this rule that defense counsel cites about requiring early, you know, early third-party discovery in a John Doe case, not one of the cases that are cited in the letter in response to our pre-motion conference, actually stand for that or have anything to do with that. To the contrary, I believe the Sixth Circuit case actually allowed the case below to go forward where they were considering summary judgment even though they had reversed the determination by the district court that the motion -- that the subpoena should be issued. So there are mechanisms here.

I am also, you know, perplexed by the resistance to just fixing this simple ministerial matter by, again, agreeing to waive service when, you know, Mr. Seymour himself in his motion papers before Judge Román also said in the alternative, that if the motion was not quashed, that John Doe should be allowed to proceed anonymously in any infringement action, and one of the things he agreed to do was accept service on behalf of the defendant so that it wouldn't impede the litigation, but unfortunately, that's where we wound up.

So I do agree, there's lots to talk about on the

merits here. There's lots to talk about on the issue of preclusion and claim preclusion. I am just trying to find the quickest and most efficient way to get there, and I think, you know, I am not sure now, especially that Mr. McFree has two very well-respected counsel appearing on his behalf, we don't just put this to bed by them agreeing to waive service, and then we can move on, and all defenses can be made, including the ones raised today. We disagree with them, but that's not the purpose of why we've raised this conference.

THE COURT: Well, it seems to me that there's two fast ways to get right to the meat of this controversy. One is for them to waive service. The other is for you to make an unopposed motion for early discovery. You could do it by letter. I will grant it, and then let them move to quash.

Either way, that will get us right to whether Judge Román's decision is *res judicata* or collateral estoppel, but the -- you know, it seems to me whether it's on a 12(b)(6) motion because they've waived service or whether it's on a motion to quash really doesn't make a big difference, and the motion to quash is probably faster because if they were to waive service, which I can't make them do, by the way, then the -- then we have, you know, a formal motion and all that. We could get to a motion to quash, you know, next week. It seems to me six of one, half dozen of the other.

Do you want to say anything, Mr. Levy or Mr. Seymour,

about why your client wouldn't just accept service, and then you make a 12(b)(6) motion because you are very confident you would win?

MR. SEYMOUR: Seymour.

MR. LEVY: Levy. Levy. Excuse me, Malcolm.

MR. SEYMOUR: No problem.

MR. LEVY: Three reasons: Reason -- the judicial world has been dealing with the problem of Doe defendants for some 20 years now, and the uniform approach -- Mr. Shimanoff is correct, there is no quote "rule," but the uniform practice in these cases is for the plaintiff to seek early discovery, and then there to be a fight over the subpoena to determine whether the Doe will be identified and therefore be able to receive service and the litigation commence in earnest.

And what happened in *Signature Management* is that Mr. Colton, counsel for the Doe in that case, made the judgment that he could not prevail on that issue without going through discovery, and so he recognized that plaintiff had a need for discovery in the situation in that case and decided to proceed having accepted service for the Doe anonymously.

In this case, by contrast, we don't think there is a need for discovery, and Judge Román has decided that there isn't.

Finally, the quickest and most efficient way for Watch Tower to have gotten what it wants would have been to go to the

Second Circuit on the 512(h) subpoena, but they plainly chose not to do that. And whether it's in litigation before this Court or in litigation before the Second Circuit, it seems to me that's the strategic decision that they are going to have to -- they may have to die on that hill.

THE COURT: Well, this is what I think: I mean, I have a ton of cases brought by -- I don't mean this to sound pejorative -- brought by people who make porn, adult content, and it gets infringed all the time through BitTorrent and similar methods, and they file many, many lawsuits, and all they have is an IP address. They file the complaint. They make a motion for expedited discovery. It's like two pages, a two-page motion, you know, three-page form brief. I grant it every time, and they get the person's name. And because, you know, it's porn, I have some built-in protective orders. And all they have to do, you know, they give notice to John Doe by email, and, you know, in those cases 99 times out of a hundred they settle because John Doe doesn't want it public that he's been stealing porn. Once in a while somebody moves to quash. Once in a while a case moves forward, but it's quick, and it seems to me it's efficient and inexpensive. So that's what we should do here.

Plaintiff should move for expedited discovery. I will grant it, and then Mr. Doe can move to quash, and that will quickly tee up the issue, which is whether or not Judge Román's decision should carry the day here, and one side or the other

can then take that to the Second Circuit if they are unhappy. So I think that makes the most sense.

So I don't -- I don't really care when you do it, but just so we don't lose track, when can plaintiff make the motion?

MR. SHIMANOFF: Shimanoff. Your Honor, obviously, we need to discuss any change in our current plan of procedure with our clients. You know, I can't speak on their behalf.

You know, I do want to state for the record there's been a lot of implication here that somehow Watch Tower is playing -- you know, engaging in procedural fencing or trying to game the system. I have heard phrases "second bite at the apple," "die on a hill," you know, all of these colloquialisms, but, you know, just for the record, Watch Tower is an organization that relies primarily for funding on donation from Jehovah's Witnesses, and they don't have significant funds, and they don't have unlimited pro bono counsel. What they do have to do is think strategically and spend their money wisely, including where they think that, you know, resources will be more effective and obviously cheaper.

So while, obviously, I can't go into my internal discussions with my client, as those are privileged, I just want to address, you know, the implications here that somehow Watch Tower is engaging in any wrongdoing because there are significant economic motivations. That said --

THE COURT: I don't think --

MR. SHIMANOFF: -- we will obviously speak with our clients.

THE COURT: I don't think they are doing anything wrong. They are doing what clients always do, which is trying to figure out the best strategy, and you know, sometimes they are right, and sometimes it backfires, but I didn't -- I didn't interpret what defense counsel said as suggesting they were doing anything out of the lawyer or client mainstream. They just, you know, chose a tactic that defense counsel thinks was not the right one. I don't think they were suggesting misconduct.

So that said, how long do you need for the motion, to consult with your client and make the motion?

MR. SHIMANOFF: What I would -- Shimanoff -- what I would suggest, Your Honor, Mr. Polidoro and I could probably speak with our clients -- oh, it's Friday already, excuse me -- early next week, and what I would suggest is that we confer with defense counsel on how we plan to proceed, and then we can just briefly update the Court if for some reason they decide to proceed in a different manner or we would just make our letter motion, as you have suggested, shortly thereafter.

THE COURT: All right. Well --

MR. LEVY: Levy.

THE COURT: -- consult with your client.

MR. LEVY: We are very confident that we could agree

on a briefing schedule and the like without the need to involve Your Honor in policing that sort of procedural matter.

THE COURT: Yeah, I was going to say, talk to your client. Figure out what you are going to do. Then talk to defense counsel about a briefing schedule and propose it by letter. It could be the same letter as your discovery motion if that's what you decide to do.

MR. SHIMANOFF: Shimanoff. So just to clarify, Your Honor, so I am clear, then you are actually asking us in addition to the letter motion seeking third-party discovery before the Rule 26 conference, that we also put in a briefing schedule for the anticipated motion to quash?

THE COURT: Makes sense to me.

MR. SHIMANOFF: Got it. Thank you.

THE COURT: All right. All right. Interesting stuff. Thank you both. Thank you, all. I will look for your letter. Let's just, so we don't lose track, let's say by a week from today, and everybody stay well. Thank you.

MR. SHIMANOFF: Thank you, Your Honor.

(Time noted: 10:36 a.m.)